

RESTRICTED

STAT

At present, the productive capacity of blast furnaces is 850,000 tons a year, the capacity of steel foundries is 1,500,000 tons, and that of rolling mills, 835,000 tons a year. These facts indicate the disparity which exists between the productive capacities of the steel foundries and rolling mills. The rolling mills are unable to handle the foundry reserves. Additional capital investments are necessary to restore the equilibrium between the separate branches of the metallurgical industry.

The plan for restoration and development of Poland's national economy provides for the construction of two new blast furnaces, each with a 600-ton pig-iron capacity per day, the modernization and capital repair of existing blast furnaces, the restoration of six open-hearth furnaces and five destroyed rolling mills, as well as the repair of 30 old rolling mills and the construction of eight new rolling mills.

Contemplated capital investments will guarantee the concrete fulfillment of the planned production level for successive years as follows:

(Production in Thousand Tons)

	1946	1947	1948	1949
Open-Hearth Pig Iron	726	995	1,200	1,300
Steel (Raw)	1,219	1,456	1,783	2,033
Rolled Iron	796	1,000	1,125	1,300

In this way, the equilibrium between the various branches of the metallurgical industry will be restored.

However, owing to increasing demands on the metal industry for economic restoration and industrialization, the achievement of even these results will still not satisfy the internal demands of the country.

Moreover, the productive capacity of rolling mills must actually be larger than the planned volume of rolled iron production, since it is deemed necessary to have a reserve of productive capacities. Therefore, the plan for capital investments provides for the attainment of a 1,900,000-ton productive capacity by rolling mills instead of the 835,000-ton productive capacity which is being attained at the present time.

Owing to the reuniting of the western territories, nine units have been added to the number of metallurgical enterprises in Poland. The reserves of coking coal have also been increased by the Gleiwitz and Walbrzych regions.

However, in order to satisfy completely the internal market for products of the metallurgical industry, it is necessary to put into operation new enterprises. Those organs planning the metallurgical industry of Poland have foreseen this and have already begun studying the possibilities of building a new metallurgical plant expected to produce one million tons of raw steel a year. This plant is to be located in the area of the Klodnica Canal, Olivicki Canal connecting Odra and Klodnica Rivers in Silesia and will be the focus of all productive processes, from the coking of coal to the production of finished articles.

In 1938, Poland exported 314,000 tons of finished ferrous-metal products. Following World War II, as a result of increasing internal demands, the export of ferrous-metal products was curtailed, and the total exports

- 2 -

RESTRICTED

RESTRICTED

RESTRICTED

RESTRICTED

STAT

during 1946 amounted to 80,000 tons.

In spite of the lack of metal in the country, Poland is contemplating the export of some ferrous-metal products during the next few years. In particular, the export of pig iron and rolled iron and the simultaneous importation of iron products is being considered. This should modify somewhat the disproportion resulting from the war.

The foreign trade balance of Poland's ferrous metals industry in relation to the plan for restoration of Poland's economy during the next few years is represented in the following table:

(In Thousand Tons)

Imports	1947	1943	1949
Ore (Converted to Iron)	750	364	937
Exports			
Pig Iron	86	-	-
Rollled Iron	50	30	30

Of the sum of 160 million prewar zloty which are to be invested in production during 1947, 117 million will be invested in domestic production to increase Poland's industrial strength and 43 million prewar zloty will be expended on foreign purchases.

In 1948, these sums will amount to 135 million and 40 million prewar zloty respectively.

Accordingly, it is clear that Poland's industry during this period must fulfill a series of important industrial tasks.

Poland's machine-building industry will begin the production of equipment for the metallurgical industry and thereby contribute to the strengthening of Poland's economic independence. This fact will have an exceptionally important bearing, as well, on the furthest plan development of Poland's heavy industry.

Completion of the Three-Year Plan for the restoration and development of the national economy of Poland will bring changes to Poland's metallurgical industry, equip Poland with a series of modern enterprises, and contribute towards transforming her from an agrarian-industrial country into an industrial-agrarian country.

- END -

- 3 -

RESTRICTED

RESTRICTED